



We connect companies and people  
all over the world using a global platform

# Info Mart Corporation

## FY2019 Second Quarter Financial Results

FY2019/2Q

TSE First (1st) Section (2492)



<b>I . About Infomart</b>	<b>... P1</b>
<b>II . FY2019 Second Quarter Financial Results</b>	<b>... P5</b>
<b>III . Management Policies Consolidated Business Forecasts for FY12/19</b>	<b>... P12</b>
<b>IV . Return Profits to Shareholders</b>	<b>... P17</b>

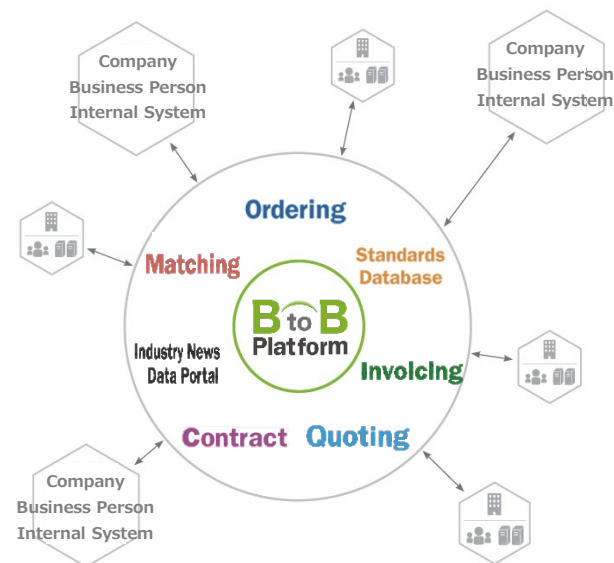
# **I . About Infomart**

- Company Name: Infomart Corporation  
( TSE First (1st) Section / Stock code: 2492 )
- Representative: President and CEO Osamu Nagao  
Vice President Naotake Fujita
- Head office: 13th Floor, Shiodome Shibarikyu Building,  
1-2-3 Kaigan, Minato-ku, Tokyo,  
105-0022, Japan
- Nishinohon sales office: Yodogawa-ku, Osaka-city
- Customer center: Hakata-ku, Fukuoka-city
- Established: February 13, 1998
- Capital: 3.2 billion 12.51 million yen Consolidated
- Subsidiaries: Infomart International
- No. of employees (connection): 504 (full-time 448 / temporary 56)
- URL: <https://www.infomart.co.jp/>

## B to B Platform

Our B2B Platform is a system that provides connections between businesspeople, between companies, and within companies, and significantly transforms company management and business style.

We build systems and businesses that naturally go beyond industry borders and beyond national borders, focusing on companies and people, with the aim of becoming a global B2B platform company.



▼ Please enjoy the video showing the world we envision with our B2B Platforms.

<https://www.infomart.co.jp/movie/>



## □ Features

1. Specialize in **BtoB Platforms**, which streamline transactions and exchanges among companies, for 21 years since its founding
2. Through "standardization" and "Digitalization", we contribute to management sophistication with **a cloud-based** system which enables many companies to use the same screen for day-to-day business with clients
3. Achieved high cost-effectiveness for customers. **A recurring-revenue model** with 95% of sales coming from monthly system usage fees

## □ Performance

### Provides **leading B2B Platform in Japan**

No. of user companies ( as of end- June 2019)

328,401 companies

No. of offices ( as of end- June 2019)

729,257 offices

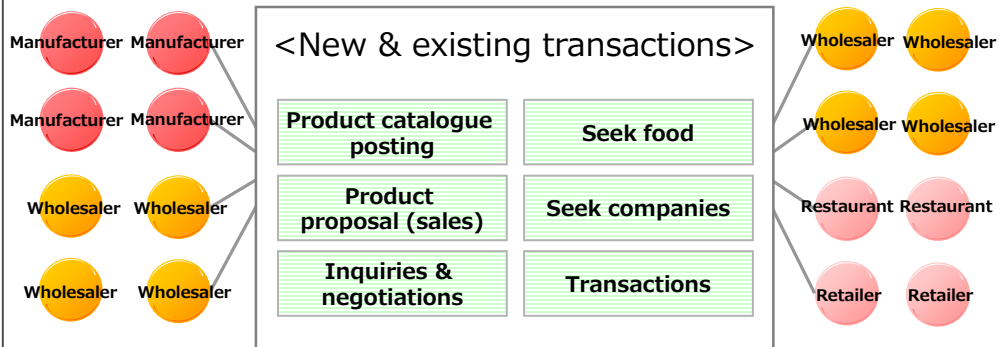
Total distribution value (2018 result)

8,049.7 billion yen

# Info Mart's B2B Platform

## B to B Platform Matching

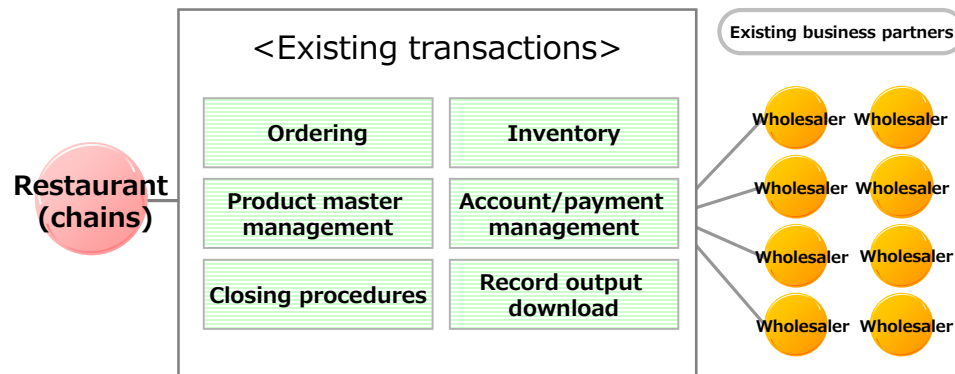
Matching food supply and demand! A business negotiation platform to strengthen sales, purchasing, and internal organizational capabilities.



Completely reforms sales and purchase schemes

## B to B Platform Ordering

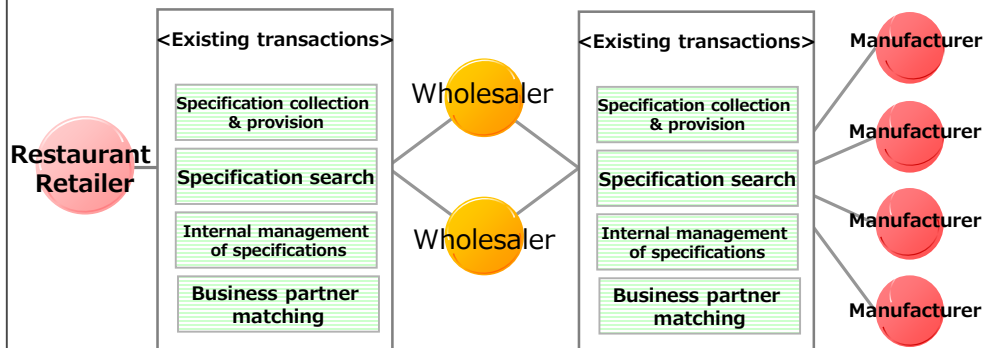
An Ordering platform to dramatically improve various operations related to ordering and payment requests



Streamlining ordering and payment requests

## B to B Platform Standards Database

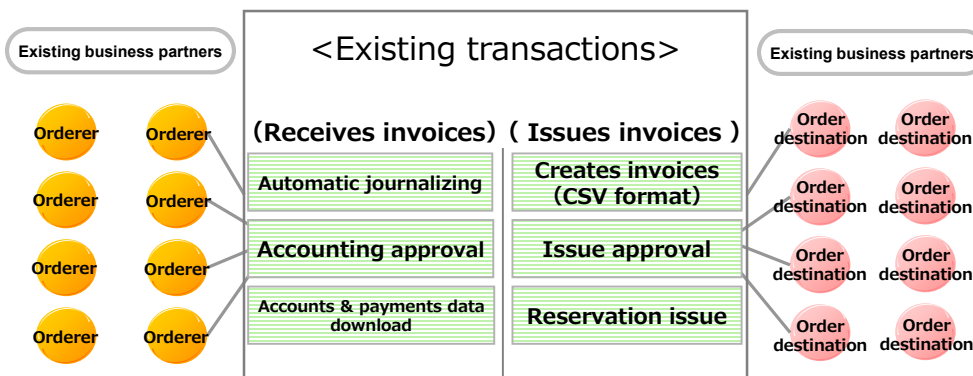
Covers all the latest regulations and quality control standards! The most-used standards database platform in the food industry



Contributes to food safety and security in the food industry

## B to B Platform Invoicing

An electronic invoicing platform that helps cut costs, save time, and improve productivity of invoicing operations



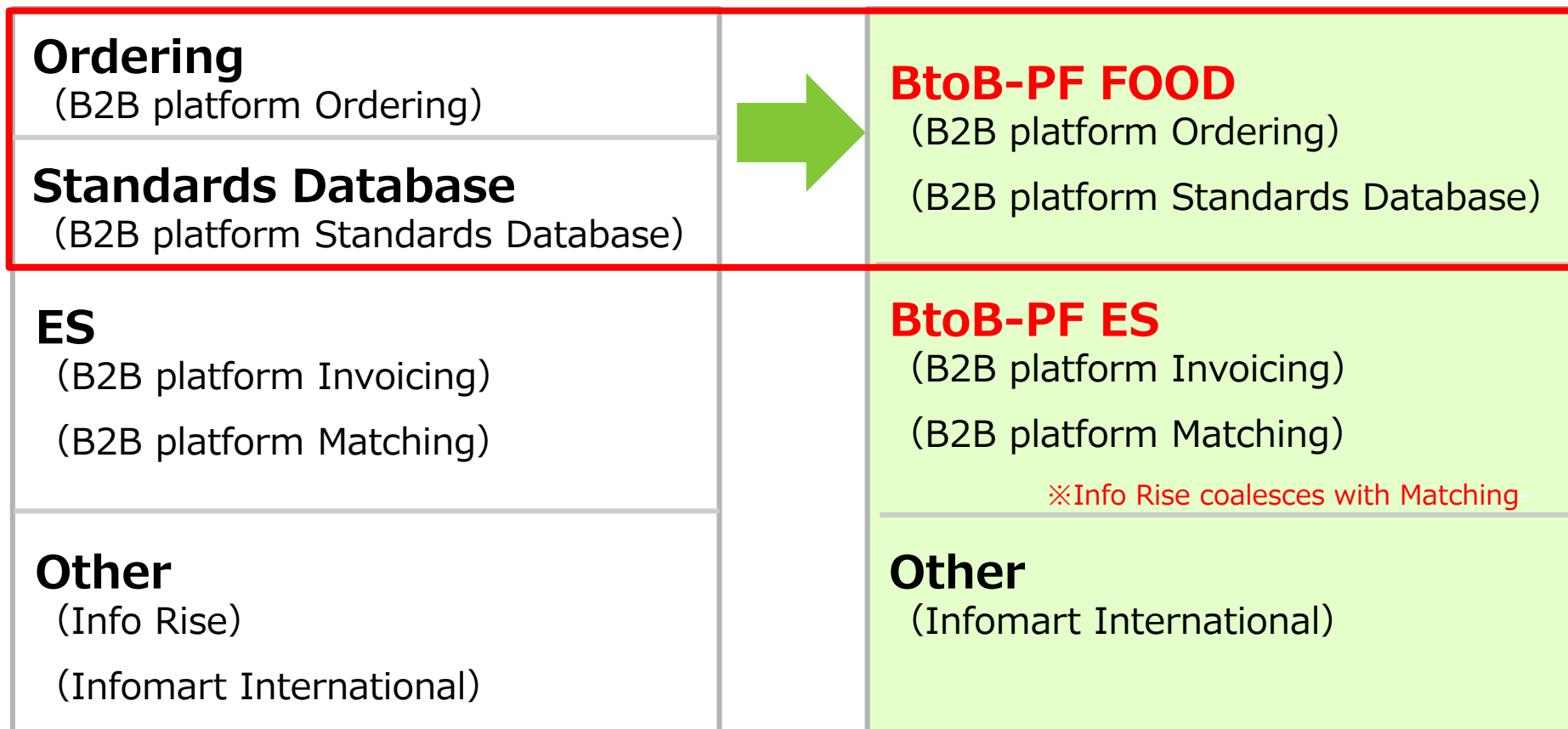
Electronically receive and issue invoices

## **II. FY2019 Second Quarter Financial Results**

# Change of business segments

Four categories (until FY12/18)

Three categories (since FY12/19)



**\*From FY12/19, we have changed its business segments.**

The Ordering business and the Standards Database business will be reclassified as the B2B Platform Food business as described above, as the two businesses are working together to promote sales to the food industry through the integration of sales structure and package selling. In addition, Info Rise Corporation, a consolidated subsidiary in the Other business, was merged with Infomart Corporation through an absorption-type merger on January 1, 2019, and is promoting its business as part of the ES business. Therefore, the business of Info Rise will be reclassified as the B2B Platform ES business as described above.



# FY12/19 Second Quarter (YoY)

(Million yen / %: YoY)

	2019/1Q		2019/2Q		2019/2Q Total	
	Actual	YoY	Actual	YoY	Actual	YoY
BtoB-PF FOOD	1,621	8.7%	1,688	8.4%	3,309	8.5%
BtoB-PF ES	378	28.0%	407	29.9%	785	29.0%
Other	11	-0.2%	10	-2.1%	22	-1.2%
<b>【Sales】</b>	<b>2,000</b>	<b>11.8%</b>	<b>2,096</b>	<b>12.0%</b>	<b>4,097</b>	<b>11.9%</b>
BtoB-PF FOOD	333	-21.2%	317	-24.0%	650	-22.6%
BtoB-PF ES	186	-8.2%	206	3.1%	392	-2.6%
Other	9	12.1%	8	2.6%	17	7.2%
<b>【CoGS】</b>	<b>518</b>	<b>-17.2%</b>	<b>522</b>	<b>-15.3%</b>	<b>1,040</b>	<b>-16.3%</b>
BtoB-PF FOOD	1,288	20.5%	1,370	20.3%	2,659	20.4%
BtoB-PF ES	191	108.7%	201	76.8%	393	91.0%
Other	2	-32.5%	2	-17.2%	4	-25.5%
<b>【Gross Profit】</b>	<b>1,482</b>	<b>27.5%</b>	<b>1,574</b>	<b>25.4%</b>	<b>3,057</b>	<b>26.4%</b>
BtoB-PF FOOD	473	11.3%	512	14.5%	985	12.9%
BtoB-PF ES	348	38.7%	384	36.4%	732	37.5%
Other	3	-5.0%	3	-13.4%	7	-9.3%
<b>【SG&amp;A】</b>	<b>825</b>	<b>21.3%</b>	<b>900</b>	<b>22.7%</b>	<b>1,726</b>	<b>22.1%</b>
BtoB-PF FOOD	814	26.5%	858	24.1%	1,673	25.2%
BtoB-PF ES	-157	-	-182	-	-339	-
Other	-1	-	-1	-	-3	-
<b>【Operating Profit】</b>	<b>656</b>	<b>36.2%</b>	<b>674</b>	<b>29.3%</b>	<b>1,330</b>	<b>32.6%</b>
<b>【Recurring Profit】</b>	<b>654</b>	<b>40.5%</b>	<b>666</b>	<b>26.5%</b>	<b>1,320</b>	<b>33.1%</b>
<b>【Net Income】※</b>	<b>601</b>	<b>93.1%</b>	<b>457</b>	<b>27.4%</b>	<b>1,058</b>	<b>57.9%</b>

※Net income denotes net income attributable to owners of the parent

BtoB-PF FOOD	79.5%	7.8%	81.2%	8.0%	80.3%	7.9%
BtoB-PF ES	50.6%	19.5%	49.5%	13.1%	50.0%	16.2%
High gross profit margin	74.1%	9.1%	75.1%	8.0%	74.6%	8.6%
BtoB-PF FOOD	50.2%	7.1%	50.9%	6.4%	50.6%	6.7%
OPM	32.8%	5.9%	32.2%	4.3%	32.5%	5.1%
RPM	32.7%	6.7%	31.8%	3.6%	32.2%	5.1%

## □ Sales

〔BtoB-PF FOOD〕

System usage fees increased as the number of companies using BtoB Platform Ordering and BtoB Standards Database increased.

〔BtoB-PF ES〕

System usage fees increased along with the digitization of invoice and an increase in the number of new paid contracts for BtoB Platform Invoicing (invoice receiver model and issuer model).

## □ CoGS

Software amortization expense decreased due to the expiration of the amortization period for large-scale system development investments in prior years.

## □ SG&A

Personnel expenses increased due to the reinforcement of sales personnel and its support personnel required for business expansion.

## □ Operating profit

Profit increased due to an increase in net sales mainly system usage fees and a reduction in cost of sales.

## □ Net income

Net income increased due to an increase in ordinary profit and a decrease in income taxes resulting from the deduction of operating loss carried forward of consolidated subsidiary Inforise Co., Ltd., which was merged with the Company on January 1, 2019.

# FY12/19 Second Quarter (vs. Plan)

(Million yen / %:YoY)

	2019/1Q			2019/2Q			2019/2Q Total		
	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff
BtoB-PF FOOD	1,608	1,621	13	1,663	1,688	25	3,271	3,309	38
BtoB-PF ES	375	378	3	399	407	8	774	785	11
Other	11	11	0	11	10	-1	22	22	0
<b>【Sales】</b>	<b>1,984</b>	<b>2,000</b>	<b>16</b>	<b>2,062</b>	<b>2,096</b>	<b>34</b>	<b>4,046</b>	<b>4,097</b>	<b>51</b>
BtoB-PF FOOD	339	333	-6	338	317	-21	677	650	-27
BtoB-PF ES	209	186	-23	221	206	-15	430	392	-38
Other	9	9	0	9	8	-1	18	17	-1
<b>【CoGS】</b>	<b>547</b>	<b>518</b>	<b>-29</b>	<b>558</b>	<b>522</b>	<b>-36</b>	<b>1,105</b>	<b>1,040</b>	<b>-65</b>
BtoB-PF FOOD	1,270	1,288	18	1,325	1,370	45	2,595	2,659	64
BtoB-PF ES	165	191	26	178	201	23	343	393	50
Other	2	2	0	2	2	0	4	4	0
<b>【Gross Profit】</b>	<b>1,437</b>	<b>1,482</b>	<b>45</b>	<b>1,504</b>	<b>1,574</b>	<b>70</b>	<b>2,941</b>	<b>3,057</b>	<b>116</b>
BtoB-PF FOOD	485	473	-12	542	512	-30	1,027	985	-42
BtoB-PF ES	376	348	-28	399	384	-15	775	732	-43
Other	4	3	-1	4	3	-1	8	7	-1
<b>【SG&amp;A】</b>	<b>865</b>	<b>825</b>	<b>-40</b>	<b>945</b>	<b>900</b>	<b>-45</b>	<b>1,810</b>	<b>1,726</b>	<b>-84</b>
BtoB-PF FOOD	785	814	29	783	858	75	1,568	1,673	105
BtoB-PF ES	-211	-157	54	-222	-182	40	-433	-339	94
Other	-2	-1	1	-2	-1	1	-4	-3	1
<b>【Operating Profit】</b>	<b>572</b>	<b>656</b>	<b>84</b>	<b>558</b>	<b>674</b>	<b>116</b>	<b>1,130</b>	<b>1,330</b>	<b>200</b>
<b>【Recurring Profit】</b>	<b>568</b>	<b>654</b>	<b>86</b>	<b>556</b>	<b>666</b>	<b>110</b>	<b>1,124</b>	<b>1,320</b>	<b>196</b>
<b>【Net Income】※</b>	<b>383</b>	<b>601</b>	<b>218</b>	<b>375</b>	<b>457</b>	<b>82</b>	<b>758</b>	<b>1,058</b>	<b>300</b>

	2019/3Q	2019/4Q	2019/Total	
	Plan	Plan	Plan	YoY
	1,706	1,770	6,748	7.5%
	451	465	1,690	24.7%
	11	10	43	-2.3%
	<b>2,157</b>	<b>2,235</b>	<b>8,439</b>	<b>10.5%</b>
	350	390	1,417	-9.6%
	253	228	912	8.6%
	9	8	35	2.9%
	<b>602</b>	<b>616</b>	<b>2,323</b>	<b>-3.4%</b>
	1,357	1,380	5,331	13.2%
	198	237	778	51.4%
	2	2	8	-11.1%
	<b>1,556</b>	<b>1,618</b>	<b>6,114</b>	<b>16.8%</b>
	529	540	2,096	21.2%
	398	406	1,580	39.8%
	4	7	19	0.0%
	<b>931</b>	<b>953</b>	<b>3,695</b>	<b>28.3%</b>
	827	840	3,235	8.5%
	-200	-169	-802	-
	-2	-5	-11	-
	<b>624</b>	<b>665</b>	<b>2,419</b>	<b>2.8%</b>
	<b>622</b>	<b>663</b>	<b>2,410</b>	<b>3.2%</b>
	<b>419</b>	<b>446</b>	<b>1,623</b>	<b>4.6%</b>

## □ Sales

〔BtoB-PF FOOD〕

Setup costs and system usage fees exceeded the plan as the number of new buyers for BtoB Platform Ordering increased.

〔BtoB-PF ES〕

System usage fees exceeded the plan as sales of BtoB Platform Invoicing were firm.

## □ CoGS

Data center expenses were carried over after 3Q.

## □ SG&A

Sales promotion expenses and commissions paid were carried over after 3Q.

## □ Operating profit

Operating profit exceeded the plan due to the increased sales and the carry-over costs.

## □ Net income

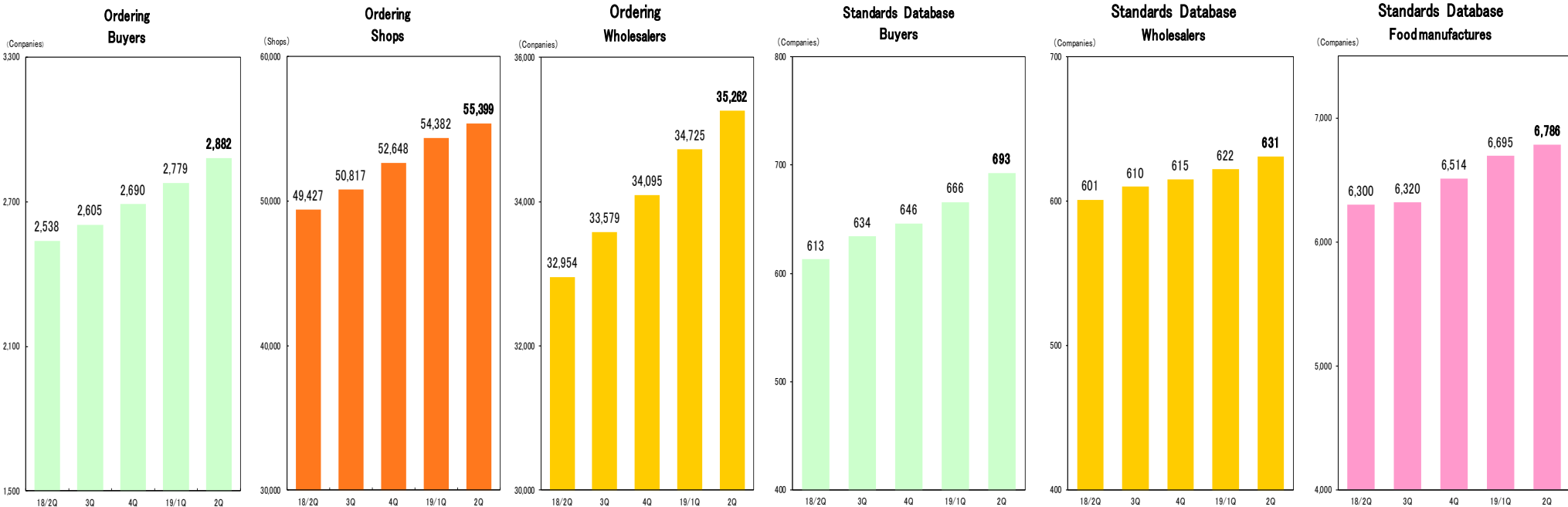
Net income increased due to an increase in ordinary profit and a decrease in income taxes resulting from the deduction of operating loss carried forward of consolidated subsidiary Inforise Co., Ltd., which was merged with the Company on January 1, 2019.

※Net income denotes net income attributable to owners of the parent

BtoB-PF FOOD	79.0%	79.5%	0.5%	79.7%	81.2%	1.5%	79.3%	80.3%	1.0%
BtoB-PF ES	44.0%	50.6%	6.6%	44.6%	49.5%	4.9%	44.3%	50.0%	5.7%
High gross profit margin	72.4%	74.1%	1.7%	72.9%	75.1%	2.2%	72.7%	74.6%	1.9%
BtoB-PF FOOD	48.8%	50.2%	1.4%	47.1%	50.9%	3.8%	47.9%	50.6%	2.6%
OPM	28.8%	32.8%	4.0%	27.1%	32.2%	5.1%	27.9%	32.5%	4.6%
RPM	28.6%	32.7%	4.1%	27.0%	31.8%	4.8%	27.8%	32.2%	4.4%

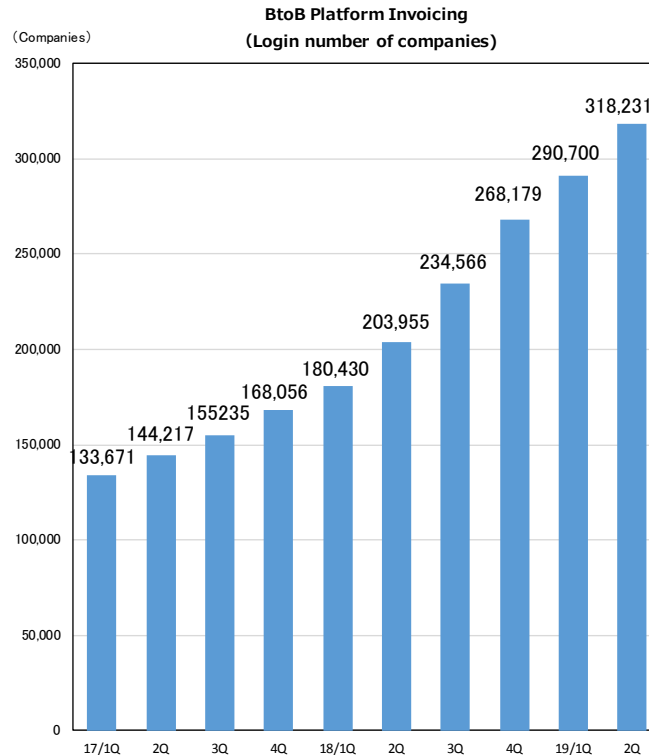
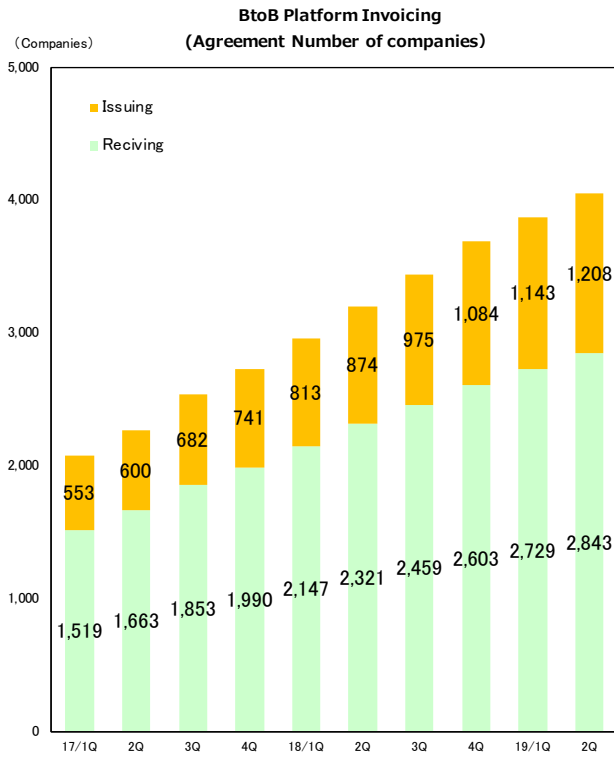
	79.5%	78.0%	79.0%
	43.9%	51.0%	46.0%
	72.1%	72.4%	72.5%
	48.5%	47.5%	47.9%
	28.9%	29.8%	28.7%
	28.8%	29.7%	28.6%

- New usage by buyers in the Ordering business (restaurants-wholesalers) advanced steadily driven mainly by restaurant chains and hotels.
- Steady flow of referrals from alliance partners such as existing seller companies and partner system engineering firms.
- Against a backdrop of stronger response to food safety, security, and allergens, the number of the buyer companies and others increased.
- Promoted sales of Ordering and Standards Database services packaged as “Safe and Secure Food Ordering.”



※Number of companies and stores of the graph is the number at the end of each quarter.

- Number of companies logging in exceeded 320,000 due to advances in electronic invoicing at existing paid-service contracting companies. (as of July 2019)
- Number of new companies signing up for paid services steadily increased not only in the foodservice industry, but also in the pharmaceutical wholesale, amusement, financial, IT, and other industries.
- Enhanced operation by strengthening data links with established sales management and accounting systems.



※Number of companies of the graph is the number at the end of each quarter.

# Fee Structure by Service

(as of June 30, 2019)

Business	Service	Fees (excluding taxes)		
BtoB-PF FOOD	B2B platform Ordering	<u>&lt;Buyer Company&gt;</u> «Monthly usage fee» •Head office: JPY18,000 •Store: JPY1,300 «Initial fee» from JPY300,000 (depending on store count)		<u>&lt;Seller Company&gt;</u> «Monthly usage fee» (choice: fixed fee or pay-for-use) •Fixed fee: JPY30,000 •Pay-for-use: 1.2% of monthly transaction amount (up to JPY100,000 transactions for free) •Adding IDs: JPY800 per ID
	B2B platform Standards Database	<u>&lt;Buyer Company&gt;</u> «Monthly system usage fee» JPY50,000 «Initial fee» from JPY300,000	<u>&lt;Wholesaler Ordering Function&gt;</u> «Monthly system usage fee» JPY35,000 «Initial fee» from JPY50,000	<u>&lt;Wholesaler Ordering Seller Function&gt;</u> «Monthly system usage fee» •Fixed fee : JPY35,000 or JPY50,000 •Pay-for-use : JPY 3,000 to JPY20,000
BtoB-PF ES	B2B platform Invoicing	<u>&lt;Receiving Company&gt;</u> «Monthly system usage fee» [Fixed fee] JPY15,000+ [Pay-for-use fee] Number of invoices receiving invoices per month • Up to 50 invoices included in the fixed fee • 51 to 1,000 transactions: JPY100 per transaction • 1,001 transactions and over: JPY90 per transaction «Initial fee» from JPY300,000		<u>&lt;Issuing Company&gt;</u> «Monthly system usage fee» [Fixed fee] JPY15,000+ [Pay-for-use fee] Number of invoices issued per month • Up to 100 invoices included in the fixed fee • 101 to 1,000 invoices: JPY60 per invoice • 1,001 invoices or more: JPY50 per invoice «Initial fee» from JPY300,000
	B2B platform Matching	<u>&lt;Buyer Company&gt;</u> [Fixed fee] JPY5,000	<u>&lt;Seller Company&gt;</u> [Fixed fee] JPY25,000	

### **III. Management Policies**

## **Consolidated Business Forecasts for FY12/19**

## ■ Balance between growth and profits

- Expand our B2B platforms and basically remain the current growth ratio and the profit margin.
- Incorporate external management resources and work to increase the value of B2B platforms.

## ■ To diversify our revenue sources

- To realize our future vision of "Covering the entire B2B space all over the world", we will lay the groundwork strategically while making profitable businesses through various initiatives.

## ■ Mid-Term Business Goal

- Achieve sales of over **10 billion yen**, operating profit of over **3 billion yen**, and recurring profit margin of over **30%**.

(Ratio: 60-40%)

## ■ Thoroughly expand B2B platforms

Grow up

- Food (Ordering/Standards Database) → Establish an overwhelming position
- Invoicing → Aiming to make it a "profit pillar"
- Contract → Launch with strong results
- Matching/Industry News & Data Portal → Improve profits for future growth

## ■ Start to make new sources of profits by utilizing our advantages

(Ratio: 30~20%)

Utilizing

- In order to maximize the value of our B2B platforms, we began harvesting the results by utilizing our commercial distribution data, ordering data, user access data, and industry, business knowledge.

(Ratio: 10~20%)

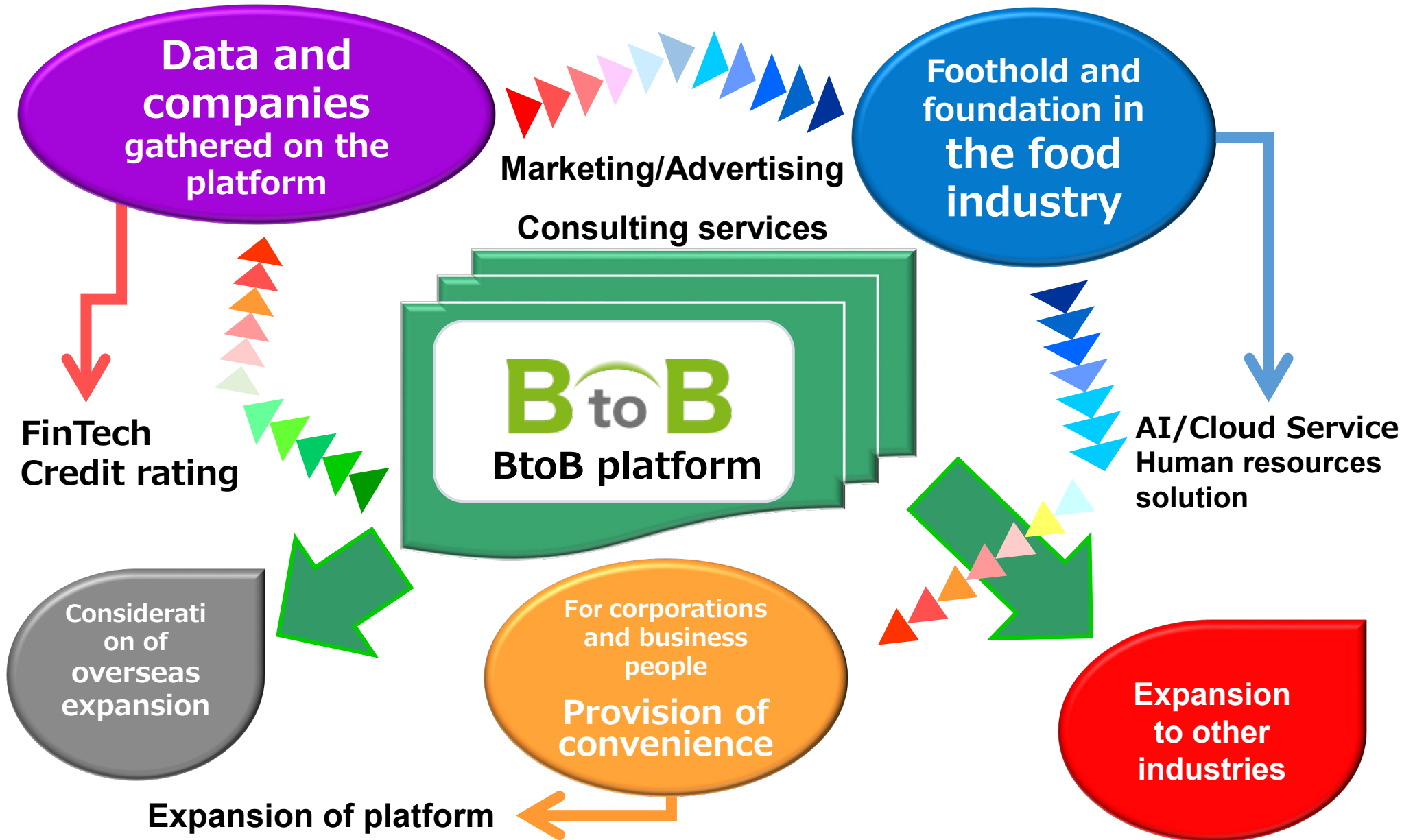
## ■ Initiatives for future prospects

Make great leaps

- Clarify the path to creating a variety of revenue sources other than existing system usage fees.
- Ordering from multiple industries, vertical development of the food industry, overseas expansion, etc.
- Continue researching cutting-edge technologies to build next-generation B2B platforms.



# Direction for development and strengthening of Infomart



# Consolidated Business Forecasts for FY12/19

(Million yen / %:YoY)

	FY12/18 (Actual)		FY12/19 (Plan)	
	Full Year	YoY	Full Year	YoY
BtoB-PF FOOD	6,280	10.2%	6,748	7.5%
BtoB-PF ES	1,355	34.6%	1,690	24.7%
Other	44	-2.2%	43	-2.3%
<b>【Sales】</b>	<b>7,639</b>	<b>13.9%</b>	<b>8,439</b>	<b>10.5%</b>
BtoB-PF FOOD	1,568	-0.3%	1,417	-9.6%
BtoB-PF ES	840	1.2%	912	8.6%
Other	34	0.0%	35	2.9%
<b>【CoGS】</b>	<b>2,406</b>	<b>0.3%</b>	<b>2,323</b>	<b>-3.4%</b>
BtoB-PF FOOD	4,711	20.6%	5,331	13.2%
BtoB-PF ES	514	30.1%	778	51.4%
Other	9	-10.0%	8	-11.1%
<b>【Gross Profit】</b>	<b>5,233</b>	<b>21.4%</b>	<b>6,114</b>	<b>16.8%</b>
BtoB-PF FOOD	1,729	18.8%	2,096	21.2%
BtoB-PF ES	1,130	5.5%	1,580	39.8%
Other	19	5.6%	19	0.0%
<b>【SG&amp;A】</b>	<b>2,879</b>	<b>13.2%</b>	<b>3,695</b>	<b>28.3%</b>
BtoB-PF FOOD	2,981	21.6%	3,235	8.5%
BtoB-PF ES	-615	-	-802	-
Other	-9	-	-11	-
<b>【Operating Profit】</b>	<b>2,353</b>	<b>33.3%</b>	<b>2,419</b>	<b>2.8%</b>
<b>【Recurring Profit】</b>	<b>2,335</b>	<b>33.4%</b>	<b>2,410</b>	<b>3.2%</b>
<b>【Net Income】※</b>	<b>1,552</b>	<b>304.3%</b>	<b>1,623</b>	<b>4.6%</b>

※Net income denotes net income attributable to owners of the parent

BtoB-PF FOOD	75.0%		79.0%
BtoB-PF ES	37.9%		46.0%
High gross profit margin	68.5%		72.5%
BtoB-PF FOOD	47.5%		47.9%
OPM	30.8%		28.7%
RPM	30.6%		28.6%

## □ Sales

〔 BtoB-PF FOOD 〕

The number of companies using B2B Platform Ordering (between restaurants and wholesalers) and B2B Platform Ordering Standards Database is expected to steadily increase.

〔 BtoB-PF ES 〕

In addition to the advances in electronic invoicing by existing paid-service contracting companies for the B2B Platform Ordering Invoicing, we expect the number of new paid contracts to increase.

## □ CoGS

Software amortization expenses are expected to decrease due to the expiration of the amortization period for large-scale system development investments in prior years.

## □ SG&A

Personnel expenses are expected to increase due to the reinforcement of sales staffs and sales support staffs for business expansion. Sales promotion expenses are also expected to attract more user companies.

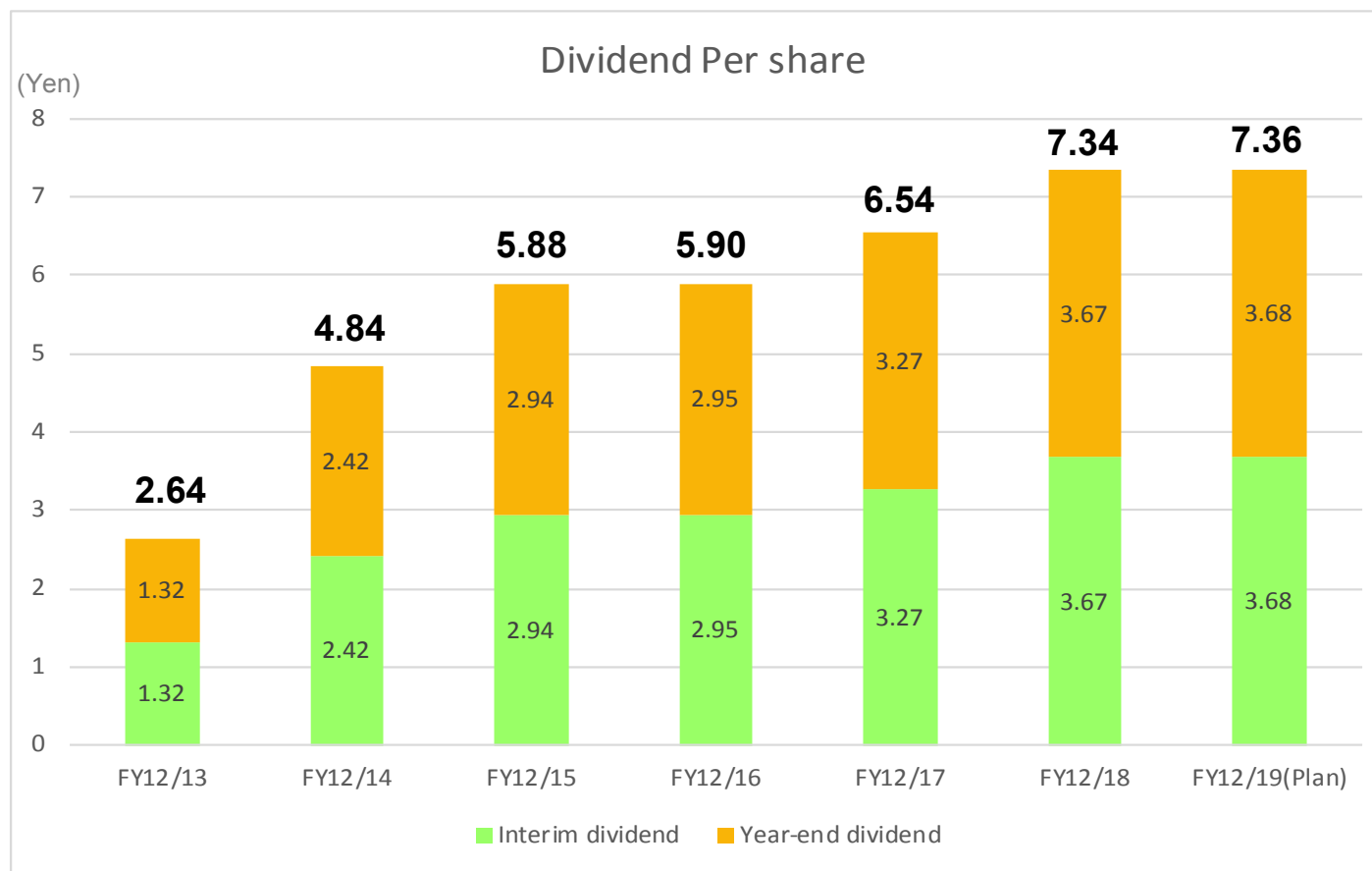
## □ Operating profit

Operating profit is expected to increase thanks to the increased sales mainly from system usage fees and a reduction in CoGS.

## **IV. Return Profits to Shareholders**

# Return Profits to Shareholders

Infomart considers most important to pay dividends to shareholders and the company aims for a **“basic dividend payout ratio of 50% based on Infomart’s non-consolidated business results”** while improving operating results and strengthening financial position.



(Note)

The interim dividend for the FY12/19 was resolved at the meeting of the Board of Directors held on July 31, 2019. (Effective date: September 9, 2019)

The company conducted a 200-for-1 stock split on January 1, 2013, a 2-for-1 stock split on July 1, 2013, a 2-for-1 stock split on January 1, 2014, a 2-for-1 stock split on January 1, 2015 and a 2-for-1 stock split on January 1, 2017. Dividends on the bar chart are calculated assuming that the stock splits were conducted.

**This material is prepared based on economic, social and other situations, and certain assumptions that the company deems to be reasonable as of July 31, 2019. However, the material is subject to change without prior notice due to the changing management environment and other reasons.**

**Readers are asked to make investment decisions at their own discretion.**

**This material was prepared by Infomart Corporation.**